

RECEIVED

JUN 23 2009

FORM APPROVED  
OMB No 1004-0137  
Expires March 31, 2007

Bureau of Land Management  
Farmington Field Office

Lease Serial No.

SF 079043

APPLICATION FOR PERMIT TO DRILL OR REENTER

1a. Type of work: ☒ DRILL ☐ REENTER

1b. Type of Well: ☐ Oil Well ☒ Gas Well ☐ Other ☐ Single Zone ☐ Multiple Zone

2. Name of Operator  
Devon Energy Production Company, L.P.

3a. Address 20 N. Broadway  
Oklahoma City, OK 73102

3b. Phone No. (include area code)  
405-552-7802

6 If Indian, Allottee or Tribe Name

7 If Unit or CA Agreement, Name and No.  
Northeast Blanco Unit

8 Lease Name and Well No.  
NEBU 420A

9 API Well No.  
3004534996

10 Field and Pool, or Exploratory  
~~Los Pinos Fruitland Sand~~ Basin Fruitland Coa

4 Location of Well (Report location clearly and in accordance with any State requirements \*)  
At surface 1070' FSL & 1810' FEL, Unit O, SW SE  
At proposed prod. zone 1620' FSL & 1280' FEL, Unit I, NE SE

11 Sec., T. R. M. or Blk. and Survey or Area

Sec. 28, T31N, R7W

14 Distance in miles and direction from nearest town or post office\*  
Approximately 18.1 miles

12 County or Parish  
San Juan

13 State  
NM

15 Distance from proposed\*  
location to nearest  
property or lease line, ft  
(Also to nearest drig. unit line, if any) 1070'

16 No. of acres in lease  
2314.56 Acres

17. Spacing Unit dedicated to this well  
320 Acres - ~~was~~ E/OIL CONS. DIV. **RCVD JUL 17 2009**

18 Distance from proposed location\*  
to nearest well, drilling, completed,  
applied for, on this lease, ft 70'

19 Proposed Depth  
3422' MD 3270' TVD

20 BLM/BIA Bond No. on file  
CO-1104 DIST. 3

21 Elevations (Show whether DF, KDB, RT, GL, etc.)  
GR 6394'

22. Approximate date work will start\*  
08/01/2009

23 Estimated duration  
Unknown

24. Attachments

The following, completed in accordance with the requirements of Onshore Oil and Gas Order No 1, shall be attached to this form:

1 Well plat certified by a registered surveyor.

2 A Drilling Plan.

3 A Surface Use Plan (if the location is on National Forest System Lands, the SUPO shall be filed with the appropriate Forest Service Office)

4 Bond to cover the operations unless covered by an existing bond on file (see Item 20 above)

5. Operator certification

6. Such other site specific information and/or plans as may be required by the authorized officer.

25 Signature  
Sr. Staff Operations Technician

Name (Printed/Typed)  
Stephanie A. Ysasaga (405)-552-7802

Date  
6/22/09

Approved by (Signature)  
Title AFM

Name (Printed/Typed)

Date  
7/15/09

Office  
FEO

Application approval does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.  
Conditions of approval, if any, are attached.

**BLM'S APPROVAL OR ACCEPTANCE OF THIS ACTION DOES NOT RELIEVE THE LESSEE AND OPERATOR FROM OBTAINING ANY OTHER AUTHORIZATION REQUIRED FOR OPERATIONS ON FEDERAL AND INDIAN LANDS**

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212 make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

\*(Instructions on page 2)

**NOTIFY AZTEC OCD 24 HRS.  
PRIOR TO CASING & CEMENT**

NMOCD

JUL 27 2009

This action is subject to technical and procedural review pursuant to 43 CFR 3165.3 and appeal pursuant to 43 CFR 3165.4

DRILLING OPERATIONS AUTHORIZED ARE  
SUBJECT TO COMPLIANCE WITH ATTACHED  
"GENERAL REQUIREMENTS".

Hold C104  
for Directional Survey  
and "As Drilled" plat

Not an info for  
Not on the ReZ

District I  
1625 N. French Dr., Hobbs NM 88240  
District II  
1301 W. Grand Avenue, Artesia, NM 87210  
District III  
1000 Rio Brazos Rd., Aztec, NM 87410  
District IV  
1220 St. Francis Dr., Santa Fe, NM 87505

State of New Mexico  
Energy, Minerals & Natural Resources Department  
**OIL CONSERVATION DIVISION**  
1220 South St. Francis Dr.  
Santa Fe, NM 87504-2088

Form C-102  
Revised October 12, 2005  
Submit to Appropriate District Office  
State Lease - 4 Copies  
Fee Lease 3 Copies

Division of Land Management

☐ AMENDED REPORT

**WELL LOCATION AND ACREAGE DEDICATION PLAT**

<sup>1</sup> API Number <b>30-045-34996</b>		<sup>2</sup> Pool Code <b>T1629</b>		<sup>3</sup> Pool Name <b>Basin Fruitland Coal (76s)</b>	
<sup>4</sup> Property Code <b>19641</b>		<sup>5</sup> Property Name <b>NEBU</b>			<sup>6</sup> Well Number <b># 420A</b>
<sup>7</sup> OGRID No <b>6137</b>		<sup>8</sup> Operator Name <b>Devon Energy Production Company, L.P.</b>			<sup>9</sup> Elevation <b>6394</b>

<sup>10</sup> Surface Location

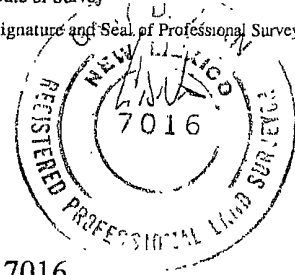
UL or Lot No	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>O</b>	<b>28</b>	<b>31 N</b>	<b>7 W</b>		<b>1070</b>	<b>SOUTH</b>	<b>1810</b>	<b>EAST</b>	<b>SAN JUAN</b>

<sup>11</sup> Bottom Hole Location If Different From Surface

<sup>7</sup> UL or lot no	Section	Township	Range	Lot Idn	Feet from the	North/South line	Feet from the	East/West line	County
<b>I</b>	<b>28</b>	<b>31 N</b>	<b>7 W</b>		<b>1620</b>	<b>SOUTH</b>	<b>1280</b>	<b>EAST</b>	<b>SAN JUAN</b>

<sup>12</sup> Dedicated Acres <b>320+/- E/2</b>	<sup>13</sup> Joint or Infill	<sup>14</sup> Consolidation Code	<sup>15</sup> Order No.
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NO ALLOWABLE WILL BE ASSIGNED TO THIS COMPLETION UNTIL ALL INTERESTS HAVE BEEN CONSOLIDATED  
OR A NON-STANDARD UNIT HAS BEEN APPROVED BY THE DIVISION

<div><p>16</p><p>5280(R)</p><p>5287(R)</p><p>28</p><p>Bottom Hole Location 1620' F/SL 1280' F/EL</p><p>Azimuth - 43°56' 764'</p><p>1810'</p><p>1070'</p><p>5280(R)</p></div>	<div><p><b>17 OPERATOR CERTIFICATION</b></p><p>I hereby certify that the information contained herein is true and complete to the best of my knowledge and belief, and that this organization either owns a working interest or unleased mineral interest in the land including the proposed bottom hole location or has a right to drill this well at this location pursuant to a contract with an owner of such a mineral or working interest, or to a voluntary pooling agreement or a compulsory pooling order heretofore entered by the division.</p><p>Signature <i>[Signature]</i> Date <b>06/22/09</b></p><p><b>Stephanie A. Ysasaga</b></p><p>Printed Name</p></div>
	<div><p><b>18 SURVEYOR CERTIFICATION</b></p><p>I hereby certify that the well location shown on this plat was plotted from field notes of actual surveys made by me or under my supervision, and that the same is true and correct to the best of my belief</p><p><b>October 1, 2008</b></p><p>Date of Survey</p><p>Signature and Seal of Professional Surveyor</p><p></p><p><b>7016</b></p><p>Certificate Number</p></div>

(R) GLO Record

## **NEBU 420A**

From the town of Arboles, CO take State HWY 151 to CR 330 and go south to CR 4020 for a total of 9.3 miles. Go south on CR 4018 turning west for a total of 6.1 miles passing Middle Mesa CDP to CR 4000. Travel south on CR 4000 for 2.7 miles to location turn off. Turn east onto location road to well site.

9

## **NEBU 420A**

The reference well is located inside the High Productivity Area of the Basin Fruitland Coal Pool. The subject well is in the participating area of the Northeast Blanco Unit. No notification required per R-8768-F.

**NEBU 420A**  
**SL: 1070' FSL & 1810' FEL, Unit O 28-31N-7W**  
**BHL: 1620' FSL & 1280' FEL, Unit I 28-31N-7W**  
**San Juan, NM**

**DRILLING PLAN**

**1. ESTIMATED TOPS OF IMPORTANT GEOLOGIC MARKERS & ANTICIPATED WATER, OIL, GAS OR MINERAL FORMATIONS:**

<b>Formation</b>	<b>MD (ft)</b>	<b>TVD (ft)</b>	<b>Hydrocarbon/Water Bearing Zones</b>
San Jose	Surface	Surface	
Ojo Alamo	2386	2240	Aquifer
Kirtland	2500	2351	
Fruitland	2960	2808	
Fruitland 1 <sup>st</sup> Coal	3130	2978	Gas
Upper Pictured Cliffs	3349	3197	Gas
Pictured Cliffs Main	3419	3267	Gas
<b>PTD</b>	3422	3270	

All shows of fresh water and minerals will be adequately protected and reported.  
A 100' sump will be drilled into the Picture cliffs. A mud logger will be on location collecting samples and measuring gas levels. Should the Picture Cliffs interval appear to be productive the sump will be filled with cuttings and abandoned

**2. PRESSURE CONTROL EQUIPMENT:**

All well control equipment shall be in accordance with Onshore Order #1 for 2M systems.

The minimum specifications for pressure control equipment that will be provided are included on the attached schematic diagram, with a size of 2", and pressure ratings.

- 3000# BOP With Pipe Rams and 3000# BOP With Blind Rams

Auxiliary equipment to be used:

- Upper kelly cock with handle available.

The manifold includes appropriate valves and adjustable chokes. The kill line will have one check valve. Ram type preventers will be pressure tested to full working pressure (utilizing a test plug) or 70% of the internal yield pressure (without a test plug) at:

- Initial installation
- Whenever any seal subject to test pressure is broken
- Following related repairs
- At 30 day intervals

Pipe and blind rams shall be activated each trip.

A BOPE pit level drill will be conducted weekly for each drilling crew.  
All tests and drills will be recorded in the drilling log.

The accumulator will have sufficient capacity to close all rams and retain 200 psi above pre-charge pressure without the use of closing unit pumps.

Master controls will be at the accumulator. Anticipated bottom hole pressure is 300 psi.

### 3. **CASING & CEMENTING PROGRAM:**

A. The proposed casing program will be as follows:

MD	TVD	Hole Size	Size	Grade	Weight	Thread	Condition
0-285	0-285	12-1/4"	9-5/8"	H-40	32#	STC	New
0-3120	0-2968	8-3/4"	7"	J-55	23#	LTC	New
3070-TD	2914-TD	6-1/4"	5-1/2"*	J-55	15.5 #	LTC	New

Casing Size	Collapse Resistance	Internal Yield	Body Yield
9 5/8"	1400 psi	2270 psi	254K psi
7"	3270 psi	4360 psi	366K psi
5 1/2"	4040 psi	4810 psi	248K psi

The 9-5/8" surface pipe will be tested to 750 psi. All casing strings below the surface shoe shall be pressure tested to 0.22 psi/ft. of casing string length or 1500 psi, whichever is greater, but not to exceed 70% minimum internal yield.

**Surface:** The bottom three joints of the surface casing will have a minimum of one centralizer per joint and one centralizer every joint thereafter (Total 5 centralizers estimated)

**7" Casing:** The bottom three joints of the 7" casing will have a minimum of one centralizer per joint and one centralizer every fifth joint thereafter to above Ojo Alamo with turbolizers below and throughout the Ojo Alamo. (Total 12 centralizers, 3 turbolizers estimated).

B. The proposed cementing program will be as follows:

**Surface String:** 9-5/8" Surface cemented in a 12-1/4" hole at 285'.  
32.3# H-40 ST&C 8 Rnd  
Saw tooth guide shoe  
Cemented with 200 sacks Class B mixed at 15.6 ppg w/.25 pps

Celloflake, 2% calcium chloride. Yield 1.19 ft<sup>3</sup>/sx, cement  
Designed to circulate to surface.

**Production String:** 7" Production casing cemented in an 8-3/4" hole  
23# J-55 LT&C 8 Rnd  
Float collar  
Joint  
Float Shoe  
Cement with 500 sacks Class B 50/50 POZ, 3% gel, 5# gilsonite,  
1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47 ft<sup>3</sup>/sx. \*  
Cement designed to circulate to surface.  
Pending hole conditions, cement baskets may be installed above  
TD

*\* Minor variations possible due to existing hole conditions.*

**Liner:** 5-1/2" liner\*  
15.5# J-55 LT&C 8 Rnd  
Shoe  
Not Cemented

\* May not be run pending hole conditions.

If well does not respond to proposed to completion, the 5 1/2 "  
liner will be cemented using class B 50/50 POZ, 3% gel, 5#  
gilsonite, 1/4"# Flocele, .1% CFR 3, .2% Halad 344, yield 1.47  
ft<sup>3</sup>/sx. \*\*

*\*\* Minor variations possible due to existing hole conditions*

#### **4. DRILLING FLUIDS PROGRAM:**

MD	TVD	Type	Weight (ppg)	Viscosity	pH	Water Loss	Remarks
0-285	0-285	Spud	8.4-9.0	29-70	8.0	NC	FW gel,
285-3120	285-2968	LSND	8.4-9.0	29-70	8.0	10-12	LCM as needed
3120-TD	2968 - TD	Air/Mist					Foam as needed

NC = no control

Sufficient quantities of mud material will be maintained on site or be readily accessible for the purpose of assuring well control. SPR will be recorded on daily drilling report after mudding up. Visual mud monitoring will be conducted during operations.

#### **5. EVALUATION PROGRAM:**

**Wireline Logs:** None

**Mud Logs:** mud logging in Fruitland Coal.

**Survey:** MWD surveys will be taken from 350' to TD of 8 3/4" hole.

**Cores:** None anticipated.

**DST's:** None anticipated.

**6. ABNORMAL CONDITIONS:**

The Fruitland Coal will be encountered within the 6 1/4" hole. Estimated formation pressure is 300 psi. No other abnormal pressures and/or temperatures are expected. No hydrogen sulfide should be present.

**7. OTHER INFORMATION:**

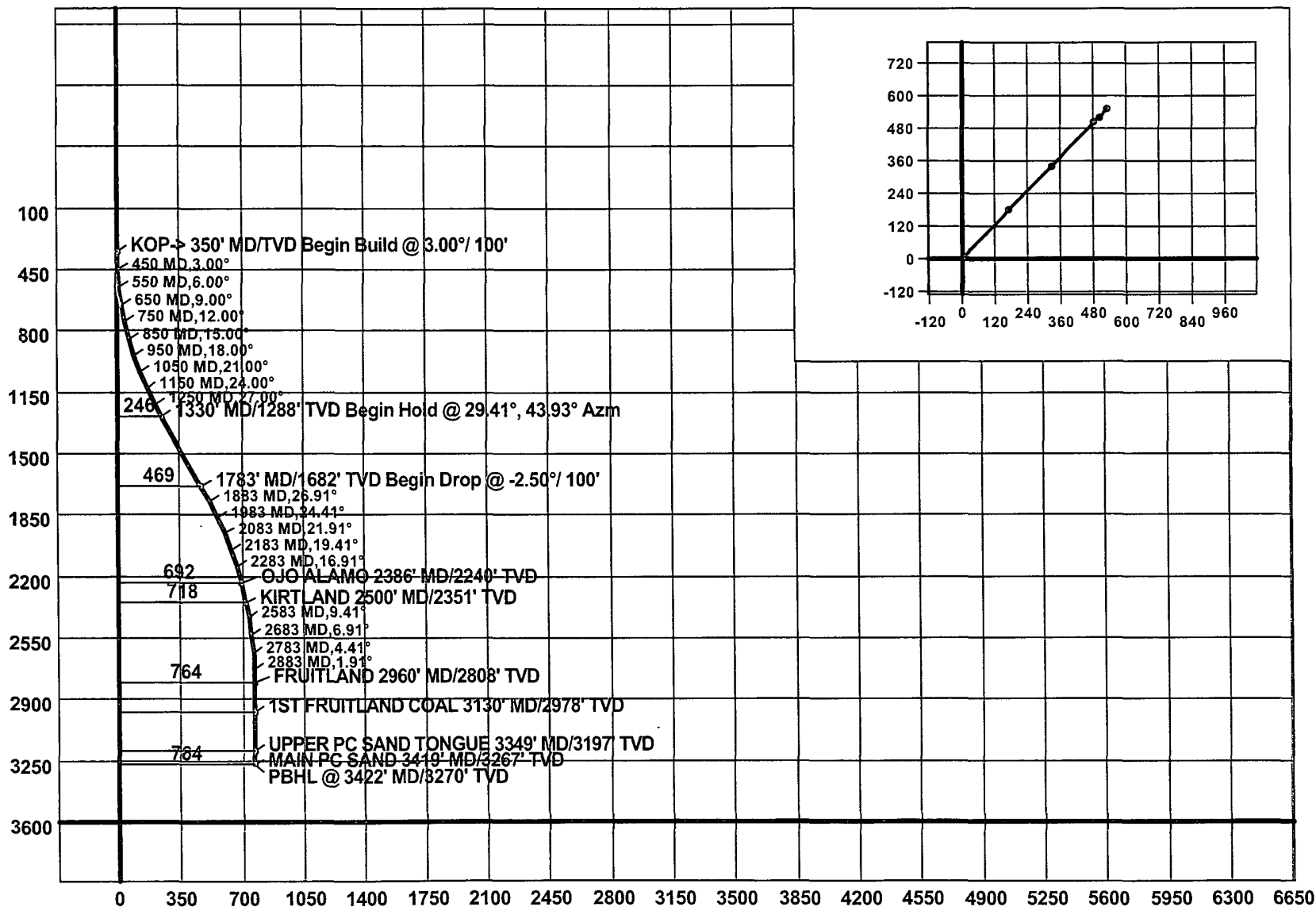
The anticipated starting date and duration of the operation will be as follows:

Starting Date:	Upon Approval
Duration:	20 days

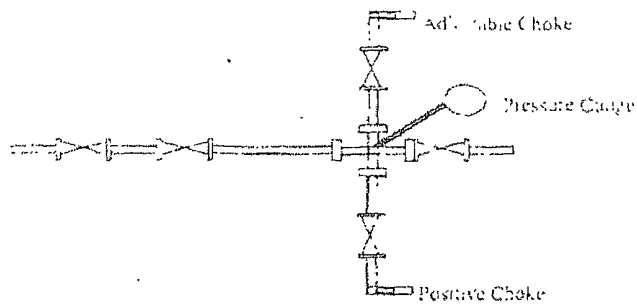
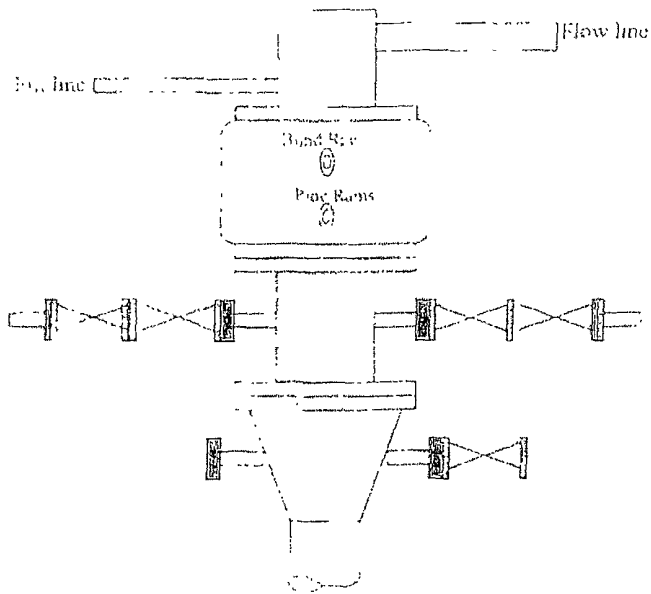
If the well is completed as a dry hole or as a producer, Well Completion or Recompletion Report and Log (Form 3160-4) will be submitted within 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3160. Copies of all logs, core descriptions, core analyses, well test data, geologic summaries, sample descriptions, daily drilling reports, daily completion reports, and all other surveys or data obtained and compiled during the drilling, completion, and/or workover operations, will be submitted directly to the Authorized Officer or filed with Form 3160-4.



Company: Devon Energy  
 Lease/Well: NEBU 420A  
 Location: San Juan County  
 State/Country: New Mexico



# Well Control Equipment 2,000 psi Configuration



All well control equipment designed to meet or exceed the Onshore Oil and Gas Order No. 2, 10/1/43 C.R. 3.60 requirement for 2M systems.